

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF WESTERN)	CASE NO. 8227-M
KENTUCKY GAS COMPANY)	

ORDER

On October 9, 1981, the Commission issued its Order in Case No. 8227 approving certain adjustments in rates and providing under certain conditions for the future adjustment of such rates when the wholesale cost of gas is increased or decreased.

On February 22, 1983, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas").

On February 1, 1983, Texas Gas was required to reduce its rates to reflect pipeline supplier rate revisions, and to reflect removal of new purchases not flowing as of February 1, 1983. As a result of this order, Texas Gas, on February 16, 1983, filed Substitute Fortieth Revised Sheet No. 7 to its FPC Gas Tariff, Third Revised Volume No. 1, reflecting a decrease in the previously requested tariff, effective retroactive to February 1, 1983.

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

(1) As a result of the changes effective as aforesaid the cost of gas to Western for the 12 months ended November 30, 1982, would have decreased \$1,044,363 or 2.74 cents per Mcf.

(2) Western requests that this filing become effective on and after March 1, 1983. Western should report to the Commission any excess revenues collected during the period of February 1, 1983, through February 28, 1983, along with a plan to refund any excess collections to its customers.

(3) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8227, dated October 9, 1981, is fair, just and reasonable and in the public interest, and should be effective with gas supplied on and after March 1, 1983.

(4) Western's base supplier rate for purchased gas will be as follows:

	<u>Demand/Mcf</u>	<u>Commodity/Mcf</u>
Texas Gas Transmission Corp.		
G-2	\$5.54	\$3.5200
G-3	6.37	3.5716
G-4	6.91	3.6149
	<u>Commodity Rate</u>	<u>Gas Rate/Dth</u>
Tennessee Gas Pipeline Company		
G-2	\$.3606	\$3.4199
GS-2	.8365	3.4199
Local Producers	-	3.7810

Western's adjustment in rates under the purchased gas adjustment clause, as set out in Exhibit D, page 1 of its notice herein in the amount of \$1.1490 per Mcf, is fair, just and reasonable and in the public interest, and should be allowed to become effective for service rendered on and after March 1, 1983.

IT IS THEREFORE ORDERED that the purchased gas adjustment in Appendix A be and it hereby is approved effective for gas supplied on and after March 1, 1983.

IT IS FURTHER ORDERED that Western shall report to the Commission any excess revenues collected during the period of February 1, 1983, through February 28, 1983, along with a plan to refund any excess collection to its customers.

IT IS FURTHER ORDERED that the base supplier rate as set out in Finding 4 above be and it hereby is effective for gas supplied on and after March 1, 1983.


IT IS FURTHER ORDERED that, within 30 days from the date of this Order, Western shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of March, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8227-M DATED
MARCH 14, 1983

The following rates are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order

RATES:

Applicable to All Rate Schedules

Purchased Gas Adjustment

To each bill rendered under all rate schedules there shall be added an amount equal to: \$1.1490 per Mcf of gas used during the billing period.